

USAWC STRATEGY RESEARCH PROJECT

ESDP: NATO'S DEMISE OR
OPPORTUNITIES FOR NATO?

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ABSTRACT

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The Europeans are well into establishing a security identity in the European Union (EU) known as European Security and Defense Policy (ESDP). Concurrently, the U.S. has put a lot of emphasis in transforming NATO into an effective, modern warfighting entity capable of deploying out of Europe. A major question arises: "Can the EU develop a capacity for security structures without causing NATO's demise?" This paper examines the transformational initiatives within NATO and the developments of and proposals for ESDP. The paper will show that ESDP will not cause NATO's demise, but rather that an enhanced ESDP may allow NATO to forge a lasting security partnership with a potential EU with holistic conflict management capabilities.

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ESDP: NATO'S DEMISE OR OPPORTUNITIES FOR NATO?

The Europeans are well into establishing a security identity in the European Union (EU) known as the European Security and Defense Policy (ESDP). For years the United States prodded its European Allies to develop greater capacities to contribute to the NATO Alliance. Wanting to do something, first in Bosnia-Herzegovina and then in Kosovo, the Europeans fully realized that without participation of the U.S. through NATO they could not effectively intervene in the Balkan conflicts.

Concurrently, the U.S. has put a lot of emphasis on transforming NATO into an effective, modern warfighting entity capable of deploying out of Europe. The current National Security Strategy charges NATO to "develop new structures and capabilities" to carry out its "core mission of collective defense of the transatlantic alliance of democracies," and "ensure that the military forces of NATO nations have appropriate combat contributions to make in coalition warfare..."¹ A major question arises -- can the EU develop a capacity for security structures without causing NATO's demise?

This paper will first examine NATO's reengineering and transformation to retain relevancy. The paper will then explore the developments of ESDP and ascertain the possible outcomes of a collision between NATO and ESDP. Finally, the paper will posit that ESDP will not spell NATO's demise and that a synergistic partnership can be developed between the two organizations.

IS NATO STILL RELEVANT?

Ever since the fall of the Berlin Wall and the dissolution of the Soviet Union, NATO's relevancy has been called into question. By all rights, by 1990 the U.S. policy goals of a pacified Europe, more united than divided and without fear of an external invasion, had been achieved. However, the U.S. determined that NATO remained strategically important. This has been a consistent view across different Administrations and amid the continual periods of schisms and dissonance within the Alliance.

The U.S. rationale for NATO's survival can be divided into "hard" and "soft" reasons. Hard reasons for retaining investment in NATO are the fact that it is the world's only viable standing military alliance capable of taking collective action. Despite the recent Iraq debacle where the Alliance refused to openly discuss participation, NATO still retains potential. Furthermore, it provides a forum for research and development exchange and potential defense industry sales, and its system of Standard NATO Agreements (STANAGs) allows for interoperability within future coalitions drawn from allies and NATO Partnership for Peace (PfP) members. NATO still

retains some level of a deterrent effect across the globe. This is most important in Eurasia and Africa. Soft reasons the U.S. needs NATO to continue its influence in security affairs and in other policy areas. With only an observer mission to the EU and embassies in the European nations, membership in NATO provides a unique structure to influence a range of issues directly or indirectly related to security. The U.S. enjoys a considerable amount of persuasive power in NATO structures. The U.S. exercises this influence regardless of the official agenda of the organization not only in the North Atlantic Council, but also in the various lower-level headquarters committees covering various areas such as armaments, science and technology, and logistics. Additionally, U.S. influence can be felt in the NATO field agencies and the operational, transformational and educational structures.

Of course there are also reasons why the U.S. should not retain the Alliance. The return on investment does not seem to be in our favor because Allies either cannot or will not participate in military operations. The Allies' continual lagging in military capabilities shows an ongoing reliance on U.S. resources while they invest in social programs. Many allies lack the political will to deploy military forces in an uncertain environment. In an expanded Alliance, the requirement to make decisions by consensus either waters down the initiatives or delays action so long that opportunities are lost. In spite of the recurring headaches in dealing with European Allies, the U.S. has consistently decided to retain and even improve NATO. The U.S. has sought improvement in NATO in four major areas: the geographic expansion of NATO, increased defense investment and improvement in military capabilities, a reorientation of NATO to act outside the territorial boundaries of its member states, and the creation of expeditionary forces using modern and modular forces within a streamlined structure.

When the fall of the Soviet Union created a vacuum in Eastern Europe, the U.S. wanted to pull the former Soviet bloc securely into the West. The resultant U.S. policy was a geographic expansion of NATO to incorporate most of the eastern European states. The ten new members not only brought their militaries into the West, but their NATO membership has helped to shape their ideals and cement their democratization and westernization processes.

The U.S. has pushed the European allies for years to increase defense expenditures to improve their defense capabilities and to upgrade their forces. Annually the Department of Defense publishes a report on Allied contributions for Congress that is then waved in front of the Allies at NATO with only acknowledgements of the need to do better. It took NATO's Operation Allied Force in Kosovo to clearly show how far behind the Allied capabilities had become compared to the United States. At NATO's Washington Summit in 1999, heads of state agreed to the Defense Capabilities Initiative (DCI). The focus of the initiative was to improve

capabilities in mobility and deployability, improve sustainability for long periods, achieve effective all-condition engagement of targets, improve survivability, and improve interoperable communications.² Despite efforts by the U.S. and the Secretary General within NATO headquarters and periodic interventions by the U.S. Secretary of Defense during Defense Ministerial meetings, the Allies did not improve substantially. Therefore, at the Prague Summit in 2002, heads of state agreed to the Prague Capabilities Commitment that replaced the 58 capability enhancements called for by the Defense Capabilities Initiative with eight specific areas for improvement.³ That the DCI netted no real results and needed scaling down speaks to the budgetary pressures of the European Allies. The tremendous costs to upgrade capabilities, coupled with fairly stringent U.S. technology transfer rules, reinforce a tendency towards lower end capabilities in Europe. To counteract recalcitrance, allies pledged to improve specific capabilities, whether through multinational efforts or niche capabilities.⁴ A particular problem, however, is getting the European governments to actually redirect money into their defense budgets. As noted in the Secretary of Defense's Annual Report on Allied Contributions 2004 most allied defense budgets continue to decline.

A major push by the U.S. has been to mentally reorient NATO from an Alliance focused on the defense of the territorial integrity of its member states to an Alliance focused globally. This "out of area" debate still continues, but dialogue, operations and events have minimized the opposition to out of area operations. NATO's dialogue and activities within the Euro-Atlantic Partnership Council (EAPC) and Partnership For Peace (PfP), whose membership includes much of the former Soviet Union, have done much to create an outreach mentality within NATO. NATO's Mediterranean Dialogue has done the same with the North African states. The September 11 attacks created a realization that there are challenges abroad that will have to be dealt with to ensure security at home. Finally, and most importantly, the Balkan operations on the periphery and NATO's assumption of the International Security Assistance Force (ISAF) mission in Afghanistan have institutionalized NATO's ability to deploy outside its geographic territory. When NATO's ISAF mission replaces Combined Forces Afghanistan, the out of area debate will cease once and for all.⁵

At the Prague Summit declaration, NATO allies agreed to streamline the military structure from the expansive Cold War structure to better resource the transforming Alliance. The former Supreme Allied Command Atlantic (SACLANT) became Supreme Allied Command Transformation (SACT), to provide the Alliance with new concepts, training and technologies.⁶ Tied to the capabilities commitments, NATO created the NATO Response Force (NRF). The NRF, slated to be fully operational by 2006, will provide NATO a modular 20,000-man high

readiness joint and combined force capable of deployment within 5 to 30 days and self-sustaining for 30 days.⁷

Even though the President has articulated support for NATO in the National Security Strategy, actions at NATO sometimes cause great consternation within the U.S. Interagency. Ever since France left the integrated military structure in 1966, the U.S. has been wary of France's political posturing within the Council. Often France's position has been construed as blocking or changing whatever U.S. proposal is on the table not because the initiative does not have merit but as a way to mitigate U.S. hegemony within NATO. While one avenue may be to seek consensus within the Defense Planning Committee (the North Atlantic Council less France), the rest of "the French Block" consisting of Germany, Belgium and Luxembourg must also be persuaded to counter the French position. Future military operations in NATO will have to take into account the continuing policy rows with France. Another elephant in the room is a potential EU Caucus within NATO. If this is codified within the EU so that the 19 allies who are also EU members present a EU position at NATO, then the dynamics at NATO will certainly change. Unfortunately, NATO allies still aspiring to membership in the EU may be put in the awkward position of choosing between a United States and European Union position, as was the case in the run up to the Iraq war. All of these factors challenge the continued viability of NATO.

ESDP DEVELOPMENT

The casual American observer would wonder why the Europeans want to create a separate collective security structure when NATO is already a proven organization and is by all accounts getting better. Sometimes for a lesson to be ingrained it must be borne from experience. A European security identity has been in the making since 1948 under the auspices of the Brussels Treaty. The U.S. has supported more advanced European military capabilities and increased defense expenditures for decades and supported the Western European Union. But it was the Balkan experiences in the early 1990's that provided the Europeans with the political impetus to move forward on creating a security capability outside of the U.S.-dominated NATO.

Europeans watched in 1991 as civil war created humanitarian disasters in the Balkans and mass migrations into Western Europe. The initial attempts to use the European Commission structures to diffuse the crisis proved futile and the Europeans sought the capabilities of the U.S. through NATO. Attempts by the European Allies to use NATO to intervene directly failed to achieve the required unanimous consent, since U.S. policy was

basically to contain the conflict, work through the United Nations, and pressure the Europeans to diffuse the crisis. In mid 1992 the Western European Union (of the Brussels Treaty) declared its readiness to provide military forces to conduct what became known as the "Petersberg Tasks."⁶ These tasks comprised humanitarian and rescue, peacekeeping, and peacemaking. Meanwhile, the UN was busy establishing the United Nations Protection Force (UNPROFOR) and NATO only permitted itself to initially quarantine the Adriatic. By 1993 UNPROFOR was expanding its mandate, but without a proportionate expansion in capability. Meanwhile, NATO agreed to conduct no-fly zones to enforce United Nations Security Council Resolution 816. The ability to decisively terminate the conflict seemed to elude the Europeans. Finally, in 1995 after the signing of the Dayton Accords, NATO deployed a 60,000-man force into Bosnia. At this point, the Europeans understood that conflict resolution required the U.S., and the U.S. required it participate through NATO. This lesson was ingrained in European capitals. By 1997 the EU had incorporated the Petersberg Tasks into its treaty, laying the basis for the core of ESDP.

In 1998, events within Kosovo took a turn for the worse as Serbian forces increased activity. NATO achieved a relatively quick consensus on the need to act, but floundered on how to act. However, the problem for the Europeans this time around was that the type of action it endorsed relied too heavily on the advanced targeting and delivery capabilities of the United States. A U.S.-dominated air campaign reliant on precision-guided munitions and all the enablers that entails was out of the league of most Allied militaries. The lessons of the Balkans led the Europeans to realize that without the U.S., they could not effectively intervene in conflicts regardless of the strength of their interests. However, European leaders concluded that if they possessed those same capabilities themselves, they could act on their own.

The EU subsequently declared that it must have its own capability, to include credible military forces, to respond to international crises. This declaration carried a caveat, however, saying that such autonomous actions will be without prejudice to actions by NATO. Soon thereafter, in 1999 the EU declared its Headline Goal for 2003, which was to be able to deploy 60,000 troops within 60 days and be capable of sustaining that force for one year.⁹ This would not be a standing force, rather the member states would offer forces in a process similar to NATO's force generation process. Achieving capabilities to perform the Petersburg tasks would remain the focus for this goal. While adoption of the Headline Goal spurred interest in ESDP, the EU realized that to deploy and sustain a force would require capabilities not resident, even for these lower-end tasks. The subsequent commitment by EU members to attain those capabilities essentially mirrored the unfulfilled promises made at NATO.

By the end of 1999, the development of ESDP continued with the agreement at the Washington NATO Summit to establish what is known as “Berlin Plus.” The essential points of Berlin Plus are:

- assured EU access to NATO operational planning capabilities that are able to contribute to military planning for EU-led operations;
- presumption of availability to the EU of pre-identified NATO capabilities and common assets for use in EU-led operations;
- identification of a range of European command options for EU-led operations, further developing the role of Deputy Supreme Allied Commander Europe (DSACEUR), a European, as operational commander of EU-led operations; and
- the further adoption of NATO's defense planning system to incorporate more comprehensively the availability of forces for EU-led operations.¹⁰

The U.S. agreed to Berlin Plus to allow the EU to develop capacity independent of NATO, without reducing NATO's preeminence in security concerns and duplication of effort. Access to the operational planning capability of Supreme Headquarters Allied Powers Europe (SHAPE) meant that the EU would not have to duplicate structures and develop international planning capabilities already resident at SHAPE. This is also directly tied to the argument of preventing duplication of assets that could be better spent upgrading European military capabilities as per the Prague Capabilities Commitment.

In late 2002 NATO and the EU agreed on a series of cooperative measures as part of the EU-NATO Declaration on ESDP.¹¹ These crisis consultation initiatives were designed to allow each organization to quickly make decisions while respecting their organizational differences. From the eyes of a seasoned European policymaker, these advances in a European capability independent of NATO make perfect sense. It would still be some time before the Europeans could develop the necessary enablers such as strategic lift and strategic communications. The use of NATO assets could facilitate acquiring those needs. At this time there was significant gnashing of teeth on the part of the U.S. as the EU consistently demanded the “catalogue of capabilities” that the EU could choose from. Rather than make an earnest attempt to retool defense budgets to achieve the necessary capability, it seemed the EU would simply rely on existing NATO assets.

Meanwhile, the EU was intent on announcing the attainment (if only theoretical) of its Headline Goal. As NATO's Operation Amber Fox in Macedonia was winding down (mostly at the insistence of the United States), EU members within NATO began to push for EU forces to

take over the mission. Invoking Berlin Plus arrangements and relying on NATO assets and capabilities, NATO terminated its mission and the EU established Operation Concordia in March 2003 with approximately 400 troops.¹² This first deployment of EU troops, although heralded as a successful partnership with NATO, spawned much consternation. It was not an entirely autonomous operation, since the EU requirement to use NATO's Operational Reserve in case of trouble caused the U.S. to demand successfully for the chain of command to be linked not just at SHAPE with DSACEUR as the Force Commander, but also requiring a level of command collocated with NATO's AFSOUTH headquarters in Naples, Italy.

In April 2003, France, Germany, Belgium and Luxembourg caused quite a stir by proposing a EU military planning headquarters in Belgium, known as the Tervuren Headquarters. The U.S. and the UK were adamantly against a proposal that violated the key principle that the EU would not needlessly duplicate NATO structures when those resources could be better spent on capabilities. While successful in stopping the proposal, other versions appeared. Shortly thereafter in June 2003, the EU launched Operation Artemis in the Democratic Republic of the Congo. Named Operation Artemis, the French-led force consisted of roughly 1,400 peacekeepers confined to Bunia and the local airport.¹³ This short-term operation did not invoke Berlin Plus; therefore the planning was conducted outside of SHAPE.

In December 2003 the EU Ministers had adopted EU Secretary General Javier Solana's European Security Strategy, which laid out the threats to Europe, the EU's security objectives and the strategy's policy implications. Without directly indicating a comparison to NATO's predominantly military organization, a paragraph from the Objectives chapter cites the EU's unique ability to tackle the broad array of problems inherent in a crisis:

In contrast to the massive visible threat in the Cold War, none of the new threats is purely military; nor can any be tackled by purely military means. Each requires a mixture of instruments. Proliferation may be contained through export controls and attacked through political, economic and other pressures while the underlying political causes are also tackled. Dealing with terrorism may require a mixture of intelligence, police, judicial, military and other means. In failed states, military instruments may be needed to restore order, humanitarian means to tackle the immediate crisis. Regional conflicts need political solutions but military assets and effective policing may be needed in the post conflict phase. Economic instruments serve reconstruction, and civilian crisis management helps restore civil government. The European Union is particularly well equipped to respond to such multi-faceted situations.¹⁴

While the paragraph alone would raise the hackles of those who fear ESDP, one should also consider another passage in the same chapter:

One of the core elements of the international system is the transatlantic relationship. This is not only in our bilateral interest but strengthens the international community as a whole. NATO is an important expression of this relationship.¹⁵

The European Security Strategy states that it should be able to conduct multiple operations simultaneously. Recognizing existing limitations, its policy implications section points to the need for more capabilities across the board and the need to use pooled and shared assets. What the Europeans desire is a NATO-like command and force structure with modern capabilities that is unshackled by the dominance of the United States.

Upon adoption of the EU Security Strategy in December 2003, the EU agreed in 2004 to set a new goal for ESDP called Headline Goal 2010. This called for the establishment of: a European Armaments Agency, development of a European Airlift Command by 2010, the development by 2007 of rapidly deployable battlegroups that can meet initial operating capability within ten days of execution orders, availability by 2008 of an aircraft carrier with an air wing and combat escort ships, development by 2010 of a compatible network and communications capability, and the creation of a civil-military cell within the EU Military Staff capable of rapidly establishing an operations center.¹⁶

Since 2001 the U.S. led the charge at NATO to try to reduce force levels in the Stabilization Force (SFOR) and Kosovo Force (KFOR) Balkan missions with an eye to calling the missions complete. These efforts received a lot of pushback from the European allies, who did not agree that the level of stability met the conditions for mission termination. After successive Six-Month Reviews and the subsequently termed Periodic Mission Reviews within NATO, the European Allies argued to continue their military presence and offered to transfer the mission to the EU. For a little over a year, the U.S. had in effect held the transfer of SFOR hostage due to Washington's concerns about the Tervuren proposal and the direction of ESDP. A long anticipated event became a reality for the EU when in December 2004 the EU formally replaced NATO's SFOR with EUFOR and undertook Operation Althea. This EU mission invoked Berlin Plus, as NATO's DSACEUR was appointed as the Operational Commander, and Althea's headquarters is located at SHAPE. With approximately 7,000 troops from 33 nations, Operation Althea is the largest EU deployment to date and represents a holistic unity of effort approach to the Bosnian operation.¹⁷

While NATO brings unity of command in the military realm, it does not necessarily transcend to unity of effort across the other instruments of power. There is some degree of consensus in NATO that allows for a single political message or proclaimed need for economic projects, but the individual nations retain their particular political and economic projects. Past

and current conflicts show the need for a coordinated military and civilian conflict termination policy. In Bosnia, NATO has provided the military forces for security, the UN and then the EU provided the policing advisory role, and the EU and a host of nations and non-governmental organizations provided development and aid projects. Unity of effort existed only in the functional areas through a very trying coordination process. The EU, on the other hand, can combine the military effort with existing EU political, monitoring, economic and police missions. While Washington may not agree fully with EU policies and actions, there is a larger degree of unity of effort through the EU systems.

The EU's Stability and Association Process (SAP), which offers the prospect of future membership and money in return for political, administrative and economic reforms, has committed € 6.8 billion to projects in the Balkans since 1991.¹⁸ A subset is the Community Assistance for Reconstruction, Development and Stabilization program, or more commonly known as the CARDS program. The program, with objectives for reconstruction, institutional development, social development and a focus on rule of law, has worked in concert with the NATO and Contact Group activities.¹⁹ Along with the EU Police advisory mission, the SAP, CARDS and the EUFOR provide the EU a unity of effort in crisis management and reform in Bosnia – tracking well what was articulated in the Security Strategy.

WASHINGTON'S RESPONSE TO ESDP

Washington's policies concerning these ESDP initiatives have centered on four themes:

- NATO is the preeminent security organization for Europe;
- the EU will follow the protocols of Berlin Plus;
- NATO has the "right of first refusal" to respond militarily to crises; and
- ESDP developments should not redirect resources from NATO initiatives.

The right of first refusal by NATO to intervene in a crisis continues to be debated, but underscores the theme of NATO's preeminence in security concerns. At the Washington Summit in 1999, the Alliance declared that Europe would act where the Alliance as a whole was not engaged.

More complex, though, is the evaluation of ESDP through the lens of French designs to marginalize U.S. influence in NATO and Europe. While not a prominent aspect, this is a fear in Washington that can taint objective review of ESDP developments. However, this tends more to slow down U.S. policy than to dictate it. For example, in the planning for EU mission Concordia to replace the NATO mission in Macedonia, there were differences of opinion between the French and U.S. positions on the chain of command of the operation, its

headquarters locations and the use and command of NATO's reserve. Ultimately the elements of Berlin Plus prevailed and both the U.S. and France moved together in agreement. At a different level, the French-led Tevuren Headquarters proposal also alarmed Washington and offered further "proof" of French designs to minimize NATO. This proposal was in direct violation of the agreed Berlin Plus principles and Washington used a lot of horsepower to defeat the proposal. It is likely that the French will not want to marginalize NATO because the consensus rule allows the French to force modifications of U.S. policy in Europe that may be unattainable in a bilateral approach. Thus, the majority of ESDP policy conflicts with NATO will most likely resolve themselves over time.

FACTORS IN DETERMINING U.S. POLICY TOWARD ESDP

While U.S. policy may follow the above themes and champion the supremacy of NATO in security efforts, several factors must be weighed in formulating a response to ESDP developments. First, the early 1990's are still a recent memory for Europeans and will continue to drive their will for a capability external to NATO. Add Rwanda and the Congo which saw comparatively little U.S. involvement and they have more examples of their need to further develop an autonomous capability. Conversely, the U.S. must face a perception by the Europeans that it is the dominating influence within NATO. However, a widely held belief among U.S. policy makers is that the Europeans expect and want U.S. leadership. It may be more that the Europeans recognize that to get the unique U.S. assets, they must allow for U.S. leadership. Inject a little Gaullism and this situation can be grating on European pride.

Another factor is NATO's decision by consensus, where 19 of its 26 members are also members of the EU with another 2 members expressing a desire to join the EU. The sheer range of issues covered by the EU will invariably cause the 19 NATO and EU member allies to provide give and take within the EU. The U.S. should dissuade but not expect to completely rule out an inevitable "EU Caucus" within NATO. Kori Schake pointed out the potential ills of a EU caucus within NATO:

The idea of a caucus of member states within NATO could be detrimental both to the Alliance and European Security and Defense Policy (ESDP)... Such division is likely to embolden objections and make non-EU members feel they are being pulled into policies that they had little influence in shaping. A caucus is likely to make the United States defend even more ardently the positions on non-EU NATO states to ensure that they get serious consideration by the European Union. A caucus could make consensus building more difficult if states were unwilling to compromise on elements that represent hard-won EU internal consensus. Finally, it could slow the pace of decisions if Alliance consultations were prevented until EU states agreed to a position to present in NATO counsels.²⁰

The UK has long carried the water for U.S. interests within the EU, but it is unrealistic to expect the UK to completely agree with the U.S. on every nuance of policy towards ESDP (as it has not in the past). Prime Minister Tony Blair has walked a fine line between the EU obligations and acting as the indispensable agent for transatlantic relations and participation. However, Blair will not be in power forever and it is inevitable that a policy issue will arise on which neither side could reach a compromise.

Other than the Kosovo operation, NATO's operations have been at the low to mid areas of the range of military operations – with tasks not unlike the Petersburg tasks. Should the EU develop comparable capabilities and structures to NATO and seek operations in Africa, the Middle East or the Caucasus, the Alliance could become insignificant – another subset of the EU like the WEU has become. Such a development would diminish NATO and reduce the U.S.'s overall influence in European affairs.

Another problem besetting NATO is the reluctance of the U.S. to seriously consider using NATO forces in a warfighting event. Partially due to the mismatch in capabilities, but more due to the fact that the necessity to achieve consensus at the level of political decision making will derive the lowest common denominator approach to warfighting. Operation Enduring Freedom is a prime example, where the U.S. did not consider a NATO operation, but rather only sought contributions from allies.

Perhaps the U.S. should not worry so much over the development of European capabilities resident in the EU. While some trumpet ESDP progress to date, real progress is questionable. For example, Giegerich and Wallace maintain that the size of the combined deployments by EU members (both NATO and non-NATO) almost make up for the lack of physical achievement of the Headline Goal 2003.²¹ Unfortunately for their argument, a good number were deployed in NATO operations in which the U.S. also participated – therefore bringing in a different and arguably much more robust set of capabilities, national caveats and national rules of engagement. But, to the Europeans' credit, they have shown they can bring the density of infantry forces required to saturate conflict areas for security. In addition, Operation Artemis in the Congo gave a lesson to the EU that strategic transport is a real necessity.²²

As noted previously, both NATO and the EU have pressed European nations to improve capabilities within their organizations. Although the U.S. has recently pushed allies for combat capabilities to support the NRF, items for both high and low end support such as strategic lift and strategic communications are also in short supply and are high cost acquisition items. While calls from both NATO and the EU will help achieve political impetus, the requisite

increases in defense expenditures will also be linked to governmental monetary and social policies. The United Nations Economic Commission for Europe's European Population Forum 2004 shows negative population growth and projections that up to thirty percent of European nations' population will be comprised of pensioners.²³ As Walter Head argues, Europe's elderly dependency ratio of the population will exacerbate the "colossal" welfare costs of their nations, thus rendering the European nations unable to develop serious military capability.²⁴ Additionally, an Atlantic Council report argues that Europe's economy will remain stagnant through 2020, because "prosperity can only be maintained by reducing government expenditures, stimulating faster economic growth, and increasing labor utilization."²⁵ Thus the realization of fears that ESDP will enable the EU to become a military peer competitor is at least decades down the road.

Furthermore, NATO Allies who are also EU members generally have the same pool of forces and capabilities that exist for both NATO and the EU. What capabilities are built for one would have to serve the other. Therefore, a NATO operation could siphon off assets necessary for a potential EU operation and vice versa. While the EU may obtain some critical enabler capabilities, it is likely based on budgets to date that those acquired capabilities will be low in number and only enough for a single operation. Given that NATO has a record of long duration missions, those assets may be unavailable to the EU indefinitely. This may lead to a situation where while the Europeans obtain key assets the U.S. has pushed for, but those assets are not made available to NATO just to ensure availability of scarce resources for a EU operation.

Although the Europeans generally are wary of any move to relegate the EU to the lower end of the range of military operations, the developments to date suggest that they are naturally inclined to follow this path. The EU has not proclaimed potential operations beyond the lower-end Petersburg Tasks. Robert Kagan, in his piece "Power and Weakness," claims that this is the result of a psychological gap between the U.S. and Europe, stating

...the power equation has shifted dramatically: When the United States was weak, it practiced the strategies of indirection, the strategies of weakness; now that the United States is powerful, it behaves as powerful nations do. When the European great powers were strong, they believed in strength and martial glory. Now, they see the world through the eyes of weaker powers. These very different points of view, weak versus strong, have naturally produced differing strategic judgments, differing assessments of threats and of the proper means of addressing threats, and even differing calculations of interest.²⁶

Regardless of the purchase of the Eurofighter with precision-guided munitions, it is likely that ESDP will result in lower end military capabilities. This is not necessarily bad for the U.S. or for NATO. The EU's adjusted goal of rapidly deployable infantry-centric battlegroups by the year

2010 pulls together some of the capabilities the U.S. has been seeking in NATO, such as strategic air and sea lift, air-to-air refueling, and strategic communications. It may be easier for the European nations to receive popular blessing for the necessary defense budgets if the assets are billed for the EU Headline Goal as opposed to a NATO program. However, the U.S. could see some relief if the Europeans contributed these assets that are in high demand throughout the range of military operations. Additionally, the major resource drain in operations in Iraq and Afghanistan has been battalion and larger troop formations patrolling on the ground in the stability operations phase. These infantry formations are just what the U.S. lacks and what the Headline Goal calls for.

Infantry formations with strategic lift and strategic communications gained by the EU Headline Goal and available for NATO, however, will not alone alleviate the U.S. burden in ongoing theater stability operations in Afghanistan or Iraq and in potential stability operations in the Caucasus or Africa. Afghanistan provides a good example. While political will supported NATO's International Security Assistance Force (ISAF) mission in Afghanistan and the Europeans were ready to provide Provincial Reconstruction Teams (PRTs), the Europeans did not offer critical enablers such as tactical air support for protection, theater lift (fixed and rotary wing) and logistical support. Instead, the Europeans looked to the U.S. to fill the majority of those requirements. The U.S. balked at providing a good portion of these assets because the Europeans (at least collectively) have those assets in their forces and the U.S. was stretched with operations in both Afghanistan and Iraq. When the U.S. held back, the Europeans refused to offer the PRTs.

CONCLUSION

The U.S. has three policy options toward ESDP: work to undermine ESDP and keep the Europeans committed to NATO as the security organization of choice; let ESDP grow as it may and fight for NATO to retain its competencies; and shape ESDP by developing a partnership between NATO and the EU. In the first option, it is unlikely the U.S. has the clout to undermine ESDP lower than the Europeans are capable of taking it and would not endear the U.S. to its European Allies. In the second option, ignoring the development of ESDP could undercut any programs and initiatives in NATO as euros, materiel and manpower are focused on various ESDP-related initiatives. The remaining option is to embrace ESDP, work with it, and try to develop a synergy between NATO and the EU.

The U.S. position has been to support ESDP, generally within the confines of Berlin Plus. This policy should continue. By allowing the EU to further develop ESDP in a partnership with

NATO, the U.S. may have a “partner” for low-end crisis management operations, in which the mission handover models in Macedonia and Bosnia could apply or in an operation employing NATO military and EU economic and civil assets. Additionally, the U.S. may achieve capabilities in NATO that would be otherwise unattainable through steady progress in the Prague Capabilities Commitments.

The predicament in filling the Statement of Requirements and therefore expanding NATO's ISAF mission in Afghanistan should provide three lessons for Washington. First, the U.S. will have to understand the allies' perspective that a NATO operation includes at least a fair share of U.S. participation, a NATO operation is not just a replacement for U.S. forces, and the European allies actually need to participate in crafting the operational designs. Second, the U.S. must continue to press for European investments in items found in the PCC, as the predominance of those items also support Petersburg Task operations. Finally, to offset budgetary reluctance, the U.S. will need to reexamine the technology transfer rules to assist European procurement so operational money is available to deploy what they do have. As the Global War on Terrorism continues, these lessons may prove valuable in getting our allies to shoulder more of the burden.

Having a EU with a fully developed expeditionary capability focused on the peacekeeping and lower tasks that also comes with an incorporated civilian component could be an important asset for U.S. foreign policy. The recent transition in Bosnia from NATO to the EU provides an illustrative example. The new EU mission in Bosnia brings the EU Police Training Mission, the economic assistance program for development (CARDS) and the military mission all under one policymaking entity. NATO will remain engaged in Bosnia with a defense reform mission as Bosnia strives toward NATO membership, and use its capabilities to apprehend the major Persons Indicted For War Crimes (PIFWCs). This relieves the U.S. of a long-term peacekeeping mission that may continue until the next generation of Bosnians, Serbs and Croats come to power. This may be a model needed in future hotspots in a post or pre-conflict environment where NATO's high-end capabilities are not necessary.

In order to achieve a synergy between the organizations, NATO and the EU need to develop a better working relationship at the committee and staff levels. A key hurdle is the EU principle of autonomous decision-making and the potential of a pre-agreed EU position prior to consultations with NATO. While the latter is part of the EU charter, the NAC-PSC relationship needs to evolve from reading point papers into a session with true dialogue. Leo Michel argues the theological debates such as anticipatory self-defense should be put on hold and the

organizations should work on systems and procedures for cooperating on operations and develop a joint capabilities requirements generation system.²⁷

A few nations that are members of both NATO and the EU have called publicly for greater cooperation, particularly in intelligence sharing, between NATO and the EU. The desire is present among a majority of nations, but the two organizations must work through the barriers to increased cooperation. One of the obstacles to greater cooperation at the committee and staff level is Turkey's reluctance in NATO to allow sharing of information with the EU. Cypress, as a new EU member, must sign the intelligence agreements and successfully pass NATO's security standards before NATO and the EU can move forward on intelligence sharing. Turkey is still stuck in EU accession talks, and is holding up the Cypress agreement in hopes of accelerating EU accession talks. The Turkey and Cypress situation will need to be resolved before true progress can be made on cooperation.

A possible way forward before Turkey's accession into the EU would be for the NAC and PSC to agree to task DSACEUR to deliver by June 2005 an after-action report on the transition in Bosnia with specific recommendations for better future transitions or partnering that the NAC-PSC could task for execution. Subsequently in the Fall, each organization can issue policy announcements at NATO's and the EU's Ministerial meetings. If achieved with all sensitivities considered, it is quite possible it could create the momentum for a joint NATO-EU capabilities development system that aligns rather than diverges capabilities requirements to nations from the two organizations.

ESDP alone will not spell NATO's demise. ESDP will continue to develop and only Washington holds the key to NATO's future. The bigger issue is for Washington to decide fully what kind of a relationship the U.S. wants with Europe. To provide opportunities for NATO, the U.S. should pursue policies that assist in the development of both NATO and ESDP while at the same time developing a relationship between NATO and the EU that allows for a synergy in action both in and out of Europe. This direction is in both the United States and the European nations' interests.

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⁴ Ibid.

⁵ The U.S. goal is to have NATO expand its ISAF Provincial Reconstruction Teams (PRTs) until it has consumed all Coalition PRTs. By that time, the Coalition kill/capture tasks will be a much smaller part of the mission and NATO can take over command and control of the entire coalition mission. With full military responsibility for Afghanistan, the out of area debate will close.

⁶ For further review of SACT, see <http://www.act.nato.int/>

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²⁰ Schake, p.4

²¹ Bastian Giegerich and William Wallace "Not Such a Soft Power: the External Deployment of European Forces," *Survival*, vol. 46 no. 2, Summer 2004. p. 177

²² Ibid.

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